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considers it absolutely necessary for the Communists to reenter the French Government; and (b) the USSR will finant e the French Communist Party in order to achieve this aim and possibly will support the French coal strike. A trustworthy trade union official that 25X1 the Communists hope to prolong the coal strike for two or three weeks and thus deliver a severe blow on the eve of winter. Source said that the Kremlin has arranged for the halting of shipments of coal from Poland to France during this strike.

(CIA Comment: CIA believes that the Communist strategy of trying to obtain a "Popular Front" Government by inducing economic and political chaos would be materially advanced by Soviet financial aid. It is unlikely, however, that the Center and Right would consent to admit the Communists into such a Government, although some Socialists might be inclined to do so in order to recoup their labor and political iosses.)

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4. GREECE: Government seeks additional US aid-

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hat the Greek Government has submitted a memorandum to US Embassy Athens requesting additional US financial aid for the primary purpose of enlarging the Greek armed forces. The memorandum points out that Greece is the only country where Communism is carrieing on armed opposition to US efforts for the rehabilitation of Europe and declares that without immediate aid "the Greek Government shall no more be in a position to bear the very great responsibilities it is now shouldering."

NEAR EAST-AFRICA

5. PALESTINE: US opposed to formation of Arab "government"—
The Department of State has instructed US diplomatic representatives in the Arab capitals to point out in a "spirit of friendly counsel" that the US considers the establishment of the "Arab

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Palestine government" as prejudicial to a successful solution of the Palestine problem and contrary to the best interests in the Arab states and the Palestinian Arabs. The Department expresses the opinion that the Arab regime, by claiming to speak for all of Palestine, affords the Jewish revisionists a pretext for similar claims on behalf of Israel.